

Canadian National Railways

peninsula, and because the volume of traffic has increased to such a degree that the government must build it now. When he made a speech here on June 2 last, he quoted, according to page 4478 of the English *Hansard*, the words of the Minister of Transport, as well as those of Mr. Gordon, president of the Canadian National Railways. Here is what the Minister of Transport said:

Mr. Fleming (Eglinton): At what page?

Mr. Chevrier: At page 4478 of the English text of *Hansard* of June 2, 1960. I quote:

Railways are a prerequisite to and not a consequence of progress, because railways are indeed a factor of progress.

Later on, he quoted Mr. Gordon who had made a statement on the occasion of the official opening of the Chibougamau-Beattyville and Chibougamau-St. Felicien railway:

"In a country such as this, where distance is a vital factor in the cost of goods, you cannot think of developing natural resources without thinking of railroads."

And the hon. member endorsed those two statements which, I agree, are excellent. The conclusion he came to was as follows:

Mr. Chairman, I am most surprised. I wonder if really Mr. Gordon was serious when he made that statement. If he really was, why did he refuse that to the Liberal party for so many years, even at the time when my hon. friend the member for Laurier (Mr. Chevrier) was Minister of Transport? Why did he refuse it, and why does he still refuse it?

Those are the words on which I want to make a few comments now.

I do not know what Mr. Gordon's attitude is today, because I left the department several years ago.

I do not know whether he has reconsidered the various locations, the least costly of which was \$27 million at the time. But representations should be directed not so much to Mr. Gordon as to the government, and that is exactly what the hon. member for Gaspé (Mr. English) seems to overlook entirely.

There is a tremendous difference between Canadian National policy and government policy. Usually, though not always, the Canadian National considers a project from a budget or financial angle, and looks at the profits and particularly the volume of traffic to be expected on the suggested railway line.

That is exactly why the Canadian National decided to build the line I mentioned a moment ago between Barraute and Kiask

Falls, in Quebec, namely because the government-owned railway thought such a line would be profitable.

As Mr. Gordon indicated recently in the railway committee, the line has been highly profitable and since its establishment, has reaped handy profits for the government railway.

However, Mr. Speaker, the government too has its say. If the government, in the public interest and to promote the development of natural resources in a particular area reaches the conclusion that a railway is justified, all it has to do is to pay it a subsidy. That, in fact, is what the government did when it decided to build the line between Chibougamau and St. Felicien.

At that time, the Canadian National Railways told the government something like this: We are ready to build the railroad, but we know that we shall need some help during the first years and we urge the federal government to grant us subsidies. The government then decided to grant the railway an amount of \$25,000 per mile. Therefore, I say to the government members, and particularly to the ministers who are now at their places and are listening to me that if they really mean to build a railway in the Gaspé peninsula, they have only to do it because there are already seven proposed routes ready for use. They are there. The government can go on and study them right now. That is the first thing I wanted to say.

The second is that since those routes were laid out—the last one was made in 1949, I think—two events took place in the peninsula: first, a great development of natural resources and second, a remarkable rise in the mining industry.

There is no need to go into details, since the hon. member for Gaspé, who is more familiar with the subject than I am, has already dealt with it.

There is also another reason that I wish to put forward. Following the development of the St. Lawrence seaway, traffic has increased between the ports on the north shore of the Gaspé peninsula, and those of Seven Islands, Baie Comeau and elsewhere. Traffic is heavier than in 1949. Conditions are therefore different in 1960, and financially they have changed to such an extent that the government now feels justified in building that particular railroad.